



BRIEFING: JUNE 3, 2014 BOARD MEETING AGENDA ITEM #9

TO: Chairman Richard and Board Members

FROM: Michelle Boehm, Southern California Regional Director

DATE: June 3, 2014

RE: Consider Amending the Palmdale to Los Angeles Project Section Regional Consultant Contract with the Hatch Mott MacDonald/URS/ARUP Joint Venture for Time Only

Background

The Joint Venture of Hatch Mott MacDonald, URS and Arup (HUA) is the Regional Consultant (RC) for the Palmdale to Los Angeles project section engaged to perform engineering and environmental-review services. The contract with HUA was approved by the Board on December 13, 2006 and awarded on January 16, 2007 after completion of a procurement process managed directly by Authority staff and consistent with the State's competitive Architectural & Engineering (A&E) procurement process. Proposals were evaluated by a team of Authority staff as well as staff from other state departments with contracting experience who evaluated the statements of qualifications and made recommendations to the Authority. This contract, as with all of the Authority's A&E contracts, contains a 30-day termination clause.

The original contract value was \$74,288,000 million for preliminary engineering and project-specific environmental work. As of June 2014, approximately \$59 million has been expended on the Palmdale to Los Angeles project section. The HUA contract expires on September 30, 2014.

The contract is based on an annual work plan and the RC only performs duties that the Authority has agreed to by approval of its Annual Work Program (AWP). Staff has determined that work under the AWP can be completed in the most efficient and cost effective manner by HUA. The Board's policies dictate that the Board approval is required for a time-only amendment of this contract duration.

Discussion

Staff recommends amending the contract with HUA on the Palmdale to Los Angeles project section by extending the duration for nine (9) months, through June 30, 2015 to complete critical tasks identified below and to allow staff time to prepare a contracting strategy for completing this section in a manner that is consistent with the current needs of the project. This amendment

does not include any increase in the current contract's contract dollar amount and is consistent with the budget projections contained in the Draft 2014 Business Plan. The proposed amendment would extend the contract duration by nine months, from September 30, 2014 through June 30, 2015 to cover the following services:

- Completion of Supplemental Alternatives Analyses
- Stakeholder Engagement Activities
- Coordination with Public and Regulatory Agencies
- Completion of Draft 15% Preliminary Engineering
- Completion of Environmental Technical Baseline Studies
- Establishing the Framework for Dividing the Section into Two Projects

This time extension will allow for the completion of the work described above, and also provide the necessary time for staff to develop the best contracting approach to obtain the final environmental clearance for the Palmdale to Los Angeles Section. At this juncture, due to the complexity of the issues under evaluation on the Palmdale to Los Angeles Section and described during the discussion on Item #8, preceding this Item, it is not possible to complete such a plan. This extension further provides time to gain additional clarity on the types and amounts of funding available for this section in order to ultimately bring the most cost effective contracting plan to the board. Staff commits to bringing this contracting plan to the board as quickly as possible.

Extending the current contract will enable the Authority to retain the team's expertise and experience, maintain continuity and momentum for completing this work, and allow staff to develop a contracting approach that better reflect priorities in the Section consistent with the Initial Operating Section strategy outlined in the 2014 Business Plan. At this time it is anticipated that two contracts, rather than one, may be appropriate for this Palmdale to Los Angeles Section to effectively manage what is anticipated to be two Environmental Documents one for Palmdale to San Fernando Valley (Burbank) Station portion of the section (the IOS portion), and one for San Fernando Valley (Burbank) Station to Los Angeles portion of the section. Moving forward staff will develop a final recommendation for an approach to RC contracting for the completion of environmental and engineering work in this Section through environmental clearance(s) and engineering to support construction contract procurement, then will bring it back to the Board for approval.

This recommendation considers the following opportunities and risks: loss of consistency/continuity, stakeholder relationships, competition, potential conflicts of interest, loss of institutional knowledge, and imminent disruption and delay. This qualitative risk-based assessment was performed in consultation with the Authority's Chief Deputy Director, Assistant Chief Program Manager, Chief Financial Officer, Regional Directors, Legal Counsel, and Risk Manager.

This amendment would extend the contract duration for nine months allowing HUA to complete the critical project documents mentioned above, and would further require HUA to comply with the Authority's Small and Disadvantaged Business Enterprise Program and the applicable 30

percent participation goal for Small Businesses, inclusive of Disadvantaged Business Enterprises and Microbusinesses.

Recommendation(s)

Staff recommends that the Board:

- Approve a contract amendment with HUA to extend the contract duration for nine months through June 30, 2015 and require HUA to comply with the Authority's 30 percent Small Business participation goal for the Palmdale to Los Angeles section.
- Direct staff to proceed with preparation of a contracting strategy for completion of the Preliminary Engineering and Environmental Documentation work for this Section, with contracts to be in place by June 30, 2015.

Staff will bring the solicitation package to the board for approval prior to release of the RFQ.

PROJECT SECTION	FIRM	CURRENT TERM	AMENDED TERM	CURRENT REMAINING CONTRACT CAPACITY	AMENDED CONTRACT CAPACITY
Palmdale to Los Angeles	HUA JV	9/30/2014	6/30/2015	\$ 15 million	NA

Attachments

– Resolution #HSRA 14-18